

# 2024 Nestlé Professional Solutions Price Increase – Orange Juice Effective October 1st



Nestlé  
Professional  
Solutions



# Background

Nestlé Professional Solutions sells **market-leading brands, products, services and solutions** to our operators and consumers. We lead by innovating with new products, formats and packaging. We also distinguish ourselves by delivering value through our commitment to sustainability practices that are making a difference globally.

Nestlé remains **committed to investing for category growth through innovation and renovation, continued dedication to quality, and meeting the evolving needs of our distributors, operators, consumers and shoppers at every turn.**

Nestlé continues to implement measures to reduce overall operational costs while absorbing market inflation. **We will continue to optimize all our operations with a full commitment to product quality and safety.**

While product input costs fluctuate, **we continually take proactive steps to mitigate, absorb and/or avoid impact to our customers** through several approaches, including:

- Implementing aggressive factory and manufacturing process efficiencies
- Short- and long-term commodity purchasing practices and hedging
- Identifying and implementing sustainable energy and material reductions
- Reducing waste through portfolio mix optimization

With that said, Nestlé Professional will be advancing price on all Nestle Vitality and Sunkist Orange Juice skus in response to continued **supply constraints in the orange commodity due to crop greening which has aggravated the market pricing.** We are in unprecedented times of disruption due to this environmental effect and the impact it has on pricing and availability of orange supply.

# On May 10<sup>th</sup>, Brazil announced their 2024/2025 crop forecast



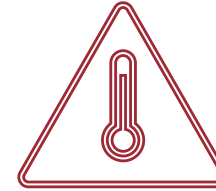
## 24/25 Brazil Orange Crop

- 232mm 90 lb Boxes
- 24% decrease from last year's 307mm results
- 2<sup>nd</sup> Lowest crop since 1988-1989 crop season



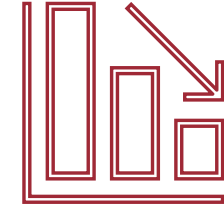
## Greening Disease

- Global orange crop continues to see increases in greening disease
- There is no cure for the disease



## Climate Issues

- No rain in Brazilian orange producing regions since 2<sup>nd</sup> half of 2023
- In Sept 2023, temperatures passed 100° F, a critical level that impacts yields
- Less juice per orange due to lack of water compared to last year's crop



## Industry Inventories

- Year over year poor crop yields have depleted FCOJ inventories
- Industry inventory was historically able to buffer year over year crop shortfalls and not severely impact pricing

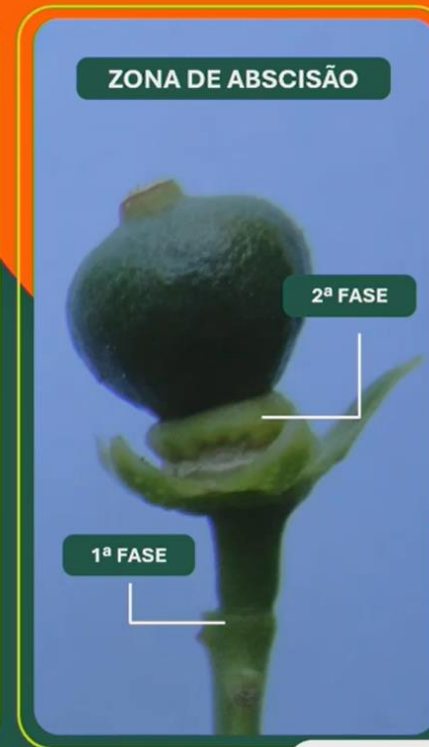
# The OJ Commodity futures more than double in ~12 months





# Picture of Citrus Greening

## QUEDA PREMATURA *PREMATURE DROP*



Fundecitrus PES

Pacheco, 2015

# Nestlé Vitality and Sunkist Orange Juice Price Increase

*\* Impacts 100% Orange Juice Skus or those skus that contain percentages of Orange Juice*

OJ SKUS	Price Advance (effective 9/15/2024)
100% OJ Skus	+70.0%
65% OJ Skus	+50.5%
45% OJ Skus	+50.5%
24% Orange Juice Cocktail	+50.5%
Juice Blends Containing OJ	+50.5%

Nestle Professional Solutions Offers a wide variety of 100% Orange Juice and skus that contain percentages of Orange Juice in both Express or 32 oz. Hand-mix formats



# Orange Juice Offerings

Orange Juice Ratios	Description	Format Availability		
		Express	Handmix	Pourover
100%	100% Juice	Available	Available	N/A
65%	65% Juice	Available	Upon Request	Upon Request
45%	45% Juice	Upon Request	Upon Request	Available
24%	24% Juice	Upon Request	Upon Request	Available Dec 2023
Juice Blends (10%)	10% OJ with Blend of Other Juices	Available	Available	Available



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